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UNCLAS SECTION 01 OF 03 BANGKOK 000602

SIPDIS

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PM/DTCC FOR JSTITZIEL

E.O. 12958: N/A

TAGS: ETTC KOMC TH BLUE LANTERN

SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK

ON APPLICATION 05-985147

REF: SECSTATE 2096

¶1. Per reftel request, POL FSN made inquiries into the bona fides of Siphya Arms Limited Partnership and Bureau of Territorial Defense Volunteers Administration. Results follow.

SIPHYA ARMS LIMITED PARTNERSHIP

¶2. According to the official website for the Thai Department of Business Development, Ministry of Commerce, which supervises business establishments and registration, the Siphya Arms Ltd, Part. is registered under Registration No. 10103501003543. Registered Date: 30 July 1958.

Capital Registration: 3,700,000 Baht

Business Partners:

- ¶1. Mrs. Somdet Detdamrong -- investment of 1,550,000 Baht
- ¶2. Mr. Ditsathat Detdamrong -- investment of 1,600,000 Baht
- ¶3. Mr. Surachai Tangthawon -- investment of 50,000 Baht
- ¶4. Mr. Piyarat Detdamrong -- investment of 500,000 Baht

Manager of the business is Mr. Ditsathat Detdamrong.
Address: 27 Burapha Road, Wang Burapha Phirom Sub-District, Phra Nakhon District, Bangkok.
The business has submitted annual financial reports for 1999, 2000, 2001, 2003, and 2004.
Purpose of Company: To import and sell guns and ammunition.

According to the Telephone Directory Center, Siphya Arms Ltd., Part. is listed in 4 different locations as the following addresses and telephone numbers:
27 Burapha Road, Wang Burapha Phirom Sub-District, Phra Nakhon District, Bangkok, Tel. 02-224-0824, 02-224-4616
29 Burapha Road, Wang Burapha Phirom Sub-District, Phra Nakhon District, Bangkok, Tel. 02-222-6777
68 - 70 Burapha Road, Wang Burapha Phirom Sub-District, Phra Nakhon District, Bangkok, Tel. 02-622-3588-9
73 Burapha Road, Wang Burapha Phirom Sub-District, Phra Nakhon District, Bangkok, Tel. 02-222-6767

POL FSN made an unannounced visit to Siphya Arms Ltd., Part. on January 18, 2006. The shop at No. 27, which also connects to the shop No. 29, is located in a 4-story concrete building. The first floor serves as the show room. It is located in a part of Bangkok where many similar businesses can be found.

FSN met Ms. Chanitsara Sawatdi, the shopkeeper, who answered all queries and presented the related documents willingly. The Manager, Mr. Ditsathat, was not in.

On January 19, FSN met Mr. Ditsathat at another office. He eagerly answered all inquiries.

Ditsathat's answers to reftel questions are:

¶Q. How long has Siphya Arms Limited Partnership been in business and who are its principals?

¶A. Siphya Arms has been in business since 1958. He confirmed the accuracy and legitimacy of the company's business registration that FSN obtained from Ministry of Commerce as stated above. All business partners are family-related and Thai nationals. Siphya Arms also runs seven other gun shops.

¶Q. Who are its typical customers and where are they located?

¶A. Siphya Arms, typical customers are either members of the general public or government officials--both civilians and Armed Force officers, living nationwide, with proper permits issued by the Ministry of Interior.

(Background. Members of the general public living in Bangkok must submit an application to the General Registration Division of the Department of Provincial Administration, Ministry of Interior, for a gun purchase permit. The MOI then examines the applicant's qualifications to determine whether to permit him to buy a gun. Once approved, the customer must bring the to a gun shop to buy a firearm. Customers living upcountry must submit the application through the District

Chief (the MOI's representative), who will examine the case, consider the request, and issue the permit. For government officials, in addition to beside the above process, they must additionally obtain the approval of their superiors. Siphya Arms officials were well versed in Thai law about weapons sales and assured FSN that they only sell weapons to those meeting the MOI's qualifications and who possess an MOI permit. End Background.)

Siphya Arms also sells guns to the UN security guard force in Bangkok as permitted by the government.

Q. Does the company have an established, legitimate customer base?

A. Yes. The company has legitimate customers -- both civilians and members of the Armed Forces. The customer data base, as well as sales records and contracts, are maintained both at the company and at the MOI's General Registration Division.

At the company, they are in paper form, not computerized. Ms. Chanitsara showed FSN the logbooks/records. Mr. Ditsathat is currently working to put the customer base and records into the computer system, starting from the list of Armed Forces personnel buying guns from his company. He provided a printout of that list.

Ditsathat said that paper documents are normally kept for 5 years.

Q. Does the company have adequate on-site security?

A. Generally, yes. The company is located in a 4-story building. After hours, all guns are stored in a safe -- a small concrete, windowless, room with a large iron gate and numeric combination lock. There is no security guard, CCTV, or iron bars on the show-window.

For the contracted 523 pistols mentioned in reftel, they will be transported into Thailand by a commercial airplane, and then stored at the Customs House at Bangkok International Airport for tax clearance and inspection by the Customs Department, Bureau of Territorial Defense Volunteers Administration, Siphya Arms, and the shipping agency.

After that, Bureau of Territorial Defense Volunteers Administration and Siphya Arms will together take them out and transport them on a private agency's truck to the warehouse inside the Bureau's compound.

The guns will then be re-examined, closely inspected, tested, and signed off upon delivery by the Bureau, Siphya Arms, and the General Registration Division. Then, the GRD will register and mark the guns into its system, and the guns will be stored in the Bureau's warehouse. These guns will not be stored at the company at all.

Q. Does the company keep proper, detailed records of its sales and customers?

A. Yes, as described above.

Q. Does the company understand the restrictions of USML articles, particularly regarding re-exporting?

A. Both Ms. Chanitsara--the shop custodian and Mr. Ditsathat--the Manager and Owner firmly stated that they well understand the USML articles.

Mr. Ditsathat presented copies of various documents mentioned in reftel, namely the Siphya Arms's BUSA001/05; Form DSP-83, dated October 28, 2005; Gun Import Permit, No. 749/48, dated October 20, 2005, to expire October 19, 2006, numbering 523 pieces, and he Gun Purchase Contracts between Siphya Arms and Bureau of Territorial Defense Volunteers Administration; all details match those stated in the cable.

BUREAU OF TERRITORIAL DEFENSE VOLUNTEERS ADMINISTRATION

POL FSN confirmed that the Bureau is a state agency under the Department of Provincial Administration, Ministry of Interior, of the Government of Thailand. It is located on Phaholyothin Road, Phaya Thai District, Bangkok, next to the Border Patrol Police General Headquarters.

During an unannounced visit to the Bureau on January 18, POL FSN met Mr. Chatpong Chatphoem--Director of Bureau of Territorial Defense Volunteers Administration, who ordered an immediate small meeting with the officials in charge of the contract. The meeting included Mr. Charan Khayan--Director of Personnel and Logistics Division, and Mr. Somchai--Chief of Welfare Section of the Bureau. They cooperated fully with our inquiries.

Below is the list of questions raised by the cable and the answers:

1Q. Did the Bureau order all 523 semi-automatic pistols listed on the license application?

1A. Yes. They confirmed the purchase and the Bureau's purchase contracts with Siphya Arms. There are two signed contracts. The first is No. 1/48, dated February 22, 2005, ordering 326 Beretta pistols and the second is No. 2/48, also dated February 22, 2005, ordering another 197 Beretta pistols (together, 523 pieces).

Persons allowed to buy these guns are the government officials and state employees. They have been approved to buy guns by their superiors, have met the MOI's requirement and qualifications, and been granted the MOI's gun purchase permits.

The first contract is solely for the employees of the State Railway of Thailand working in the troublesome, violent-hit, southernmost region of Thailand whereas the second contract is mostly for the MOI's officials and other officials, such as state teachers, police, soldiers, village heads, sub-district heads, District Officers, medical service employees, and the Bureau's territorial defense volunteers, working in the same area. They have already paid the down payment of 10% at the time of order their pistols, and they have to pay the rest on the day they receive their guns.

1Q. Does the Bureau have a legitimate need for all of the pistols?

1A. Yes. This lot of guns is approved because of the worsening situation in the southernmost region of Thailand. They will be imported and distributed to state employees and government officials who are working in the trouble-hit deep south as the personal guns to protect their lives, public safety, and state properties from the insurgency/separatist movement.

1Q. Does the Bureau have adequate plans and resources to track and secure the weapons?

1A. Yes. The pistols will be recorded and issued to the contracted buyers, who are government officials/state employees and hold Thai nationality. These guns will and always belong to the purchasers only. MOI will stamp in their gun registration and possession permits that the guns cannot be resold, or transferred, or exchanged, except as the inheritable item. The District Office at the locality will be tasked to monitor and track the weapons. These guns will only be carried while the officials are on duty or in the violent-prone area.

Director Charan and Chief Somchai showed POL FSN the Bureau's gun storage room, where this lot of pistols will be stored. It is a large room with two connecting small rooms inside (about 6 meters long by 3 meters wide by 3 meters high each), located on the first floor of a 3-story concrete building. FSN observed two guards in front of the storage room. It requires keys used by two other officials to open the storage room's door. Each door opening is recorded in a logbook. The door is wooden with two sets of padlocks covered by sealing wax. There is no CCTV inside the room. There are no fire or smoke alarms inside the room, but there are fire extinguishers nearby.

Inside the storage facility, FSN observed hundreds of pistols and revolvers well kept in cases.

Director Charan and Chief Somchai stated that there are always four guards and one supervisor posted at the Bureau's compound at all time. They are unarmed by day but armed at night.

1Q. Does the Bureau understand the restrictions of USML articles, particularly regarding re-exporting?

1A. Yes.

They presented the related documents described in ref tel. The documents conform with those Mr. Ditsathat provided. They confirm the import procedure, route of gun transportation, and purchase procedure as stated above by Mr. Ditsathat.

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